

Senate Bill 673

Sponsored by Senator WINTERS (at the request of Peter Rogers)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows real estate broker or principal real estate broker to pay share of commission to principal of real estate transaction.

A BILL FOR AN ACT

1
2 Relating to real estate transaction commissions; amending ORS 696.290.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 696.290 is amended to read:

5 696.290. (1) A real estate licensee shall not offer, promise, allow, give, pay or rebate, directly
6 or indirectly, any part or share of the licensee's commission or compensation arising or accruing
7 from any real estate transaction or pay a finder's fee to any person who is not a real estate licensee
8 licensed under ORS 696.022. However, a real estate broker or principal real estate broker may pay
9 a finder's fee or a share of the commission on a cooperative sale where such payment is made to a
10 licensed real estate broker in another state or country provided that the state or country in which
11 that broker is licensed has a law permitting real estate brokers to cooperate with real estate bro-
12 kers or principal real estate brokers in this state and that such nonresident real estate broker does
13 not conduct in this state any acts constituting professional real estate activity and for which com-
14 pensation is paid. If a country does not license real estate brokers, the payee must be a citizen or
15 resident of the country and represent that the payee is in the business of real estate brokerage in
16 the other country. A real estate broker associated with a principal real estate broker shall not ac-
17 cept compensation from any person other than the principal real estate broker with whom the real
18 estate broker is associated at the time. A principal real estate broker shall not make payment to the
19 real estate broker of another principal real estate broker except through the principal real estate
20 broker with whom the real estate broker is associated. Nothing in this section prevents payment of
21 a commission or fee earned by a real estate broker or principal real estate broker while licensed,
22 because of change of affiliation or inactivation of the broker's license.

23 (2) Nothing in subsection (1) of this section is intended to prohibit a real estate licensee who
24 has a written property management agreement with the owner of a residential building or facility
25 from authorizing the payment of a referral fee, rent credit or other compensation to an existing
26 tenant of the owner or licensee, or a former tenant if the former tenant resided in the building or
27 facility within the previous six months, as compensation for referring new tenants to the licensee.

28 **(3) Nothing in subsection (1) of this section is intended to prevent an Oregon real estate**
29 **broker or principal real estate broker from rebating or paying a share of the broker's or**
30 **principal broker's commission resulting from a real estate transaction to a principal of the**
31 **transaction.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 [(3)] (4) Nothing in subsection (1) of this section is intended to prevent an Oregon real estate
2 broker or principal real estate broker from sharing a commission on a cooperative nonresidential
3 real estate transaction with a person who holds an active real estate license in another state or
4 country, provided:

5 (a) Before the out-of-state real estate licensee performs any act in this state that constitutes
6 professional real estate activity, the licensee and the cooperating Oregon real estate broker or
7 principal real estate broker agree in writing that the acts constituting professional real estate ac-
8 tivity conducted in this state will be under the supervision and control of the cooperating Oregon
9 broker and will comply with all applicable Oregon laws;

10 (b) The cooperating Oregon real estate broker or principal real estate broker accompanies the
11 out-of-state real estate licensee and the client during any property showings or negotiations con-
12 ducted in this state; and

13 (c) All property showings and negotiations regarding nonresidential real estate located in this
14 state are conducted under the supervision and control of the cooperating Oregon real estate broker
15 or principal real estate broker.

16 [(4)] (5) Nothing in subsection (1) of this section is intended to prohibit a real estate licensee
17 from directly compensating a licensed personal assistant if permitted by the terms, conditions and
18 requirements of a licensed personal assistant agreement under ORS 696.028.

19 [(5)] (6) As used in subsection [(3)] (4) of this section, “nonresidential real estate” means any
20 real property that is improved or available for improvement by commercial structures or five or
21 more residential dwelling units.

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